



THARISA plc
Registration number HE223412
(Incorporated in Cyprus on 20 February 2008)
("Tharisa" or "the Company")

RISK COMMITTEE
TERMS OF REFERENCE

1. BACKGROUND

- 1.1 The Board of directors of the Company ("the Board") has resolved to establish a Risk Committee ("the Committee").
- 1.2 The Board has delegated to the Committee responsibility for overseeing the risk management strategy, policies and functions of the Company and its subsidiaries (collectively, "the Group").
- 1.3 These terms of reference were adopted on 2 April 2014 and replace any previous terms of reference for any Risk Committee of the Board.

2. DUTIES OF THE COMMITTEE

The Committee shall carry out the duties below for the Company, major subsidiary undertakings and the Group as a whole, as appropriate.

- 2.1 Review management reports detailing the adequacy and overall effectiveness of the Company's risk management functions and its implementation by management, and reports on internal control, any recommendations, and confirm that appropriate action has been taken.
- 2.2 Review the risk philosophy, strategy and policies as recommended by management, ensuring compliance with such policies, and with the overall risk profile of the Company. Risk in the widest sense includes market risk, credit risk, liquidity risk, operational risk and commercial risk which together cover detailed combined risks such as:
 - interest rate risk;

- country risk;
- currency and foreign exchange risk;
- technology risk;
- disaster recovery risk;
- operational risk;
- reputational risk;
- competitive risk;
- legal risk;
- compliance and control risks;
- safety, health and environmental risks;
- investment risk;
- asset valuation risk; and
- other risks appropriate to the business, which may be identified from time to time.

2.3 Review adequacy of insurance coverage.

2.4 Review risk identification and measurement methodologies.

2.5 The Committee shall have due regard for the principles of governance and codes of best practice.

2.6 The Committee shall detail items that should be published in the company's Annual Report relating to the activities of the Committee.

3. COMPOSITION

3.1 Members of the Committee shall be made up of at least three members. The members of the Committee shall include executive and non-executive directors. The Chairman of the Board may be a member of, but may not chair, the Committee.

3.2 The Board believes that risk cannot be delegated and therefore all members of the Board are members of the Risk Committee.

3.3 Only members of the Committee have the right to attend Committee meetings. However, those members of senior management responsible for the various areas of risk management and other individuals may be invited to attend all or part of any meeting.

3.4 The Board shall appoint one member of the Committee to act as its Chairman, who shall be a non-executive director. In the absence of the Committee Chairman

and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

4. QUORUM

4.1 The quorum necessary for the transaction of business shall be a majority of the members of the Committee.

4.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

5. MEETING ADMINISTRATION

5.1 The Committee shall meet as often as it deems necessary but in any case at least twice a year and at such other times and places as determined by the Committee Chairman, with further meetings to occur, or actions to be taken by unanimous written consent, when deemed necessary or desirable by the Committee or its Chairman.

5.2 Meetings of the Committee shall be called by the secretary of the Committee at the request of any of its members.

5.3 Unless otherwise agreed by all Committee members, notice of each meeting confirming the venue, time and date and dial-in details (if required), together with an agenda of the items to be discussed and supporting documentation, shall be forwarded to each member of the Committee, any other person required to attend, no later than five working days before the date of the meeting, or as soon as is practicable. Supporting papers shall be sent to Committee members and to other attendees, as appropriate, at the same time.

6. SECRETARY

6.1 The Company Secretary or such person as the Company Secretary nominates shall act as the secretary of the Committee.

6.2 The secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

6.3 Draft minutes of Committee meetings shall be circulated promptly to all members of the Committee.

7. EVALUATION

The Committee shall, at least once a year, review its own performance, composition and terms of reference and recommend any changes it considers necessary to the Board for approval.

The Board shall review the performance of the Committee, its composition and terms of reference on an annual basis.

8. REPORTING RESPONSIBILITIES

8.1 The Committee Chairman shall report formally to the Board on its proceedings after each meeting on all matters within its duties and responsibilities.

8.2 The Committee shall make such recommendations to the Board as it deems appropriate on any area within its remit where action or improvement is desirable.

8.3 The Committee Chairman shall attend the Company's annual general meeting prepared to respond to any shareholder questions on the Committee's activities.

9. OTHER MATTERS

The Committee shall:

- (a) have access to sufficient resources in order to carry out its duties, including access to the Company secretariat for assistance as required;
- (b) be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
- (c) give due consideration to laws and regulations, the provisions of the King Code on Corporate Governance for South Africa 2009, the King III Report on Corporate Governance for South Africa 2009, the requirements of the Johannesburg Stock Exchange Listings Requirements, and any other applicable rules, as appropriate;
- (d) oversee any investigation of activities which are within its terms of reference.

10. AUTHORITY

The Committee is authorised by the Board to:

- (a) undertake any activity within its terms of reference;

- (b) seek any information that it requires from any Group employee or contractor in order to perform its duties;
- (c) obtain, at the Company's expense, outside legal or other professional advice on any matter within its terms of reference and to invite those persons to attend meetings of the Committee;
- (d) call any Group employee or contractor to be questioned at a meeting of the Committee, as and when required; and
- (e) delegate any of its powers to one or more of its members or the secretary.